

**Township Manager's  
Proposed 2022  
Municipal Budget  
Dean B. Kazinci  
Township Manager**

# Proposed 2022 Municipal Budget

## Budget Preparation Process

1. Department Head Requests (September 2021)
2. Manager/CFO Review (October 2021)
3. Manager/CFO/Department Head Public Hearings (November 2021)
4. Public Input at Council Meetings (2/8)
5. Manager/CFO/Auditor review
6. Manager's presentation to Council of proposed budget appropriations and estimated revenues

# Proposed 2022 Municipal Budget

## Budget Preparation Process

7. Council review and public hearings (March 17, 24)
8. CFO/Auditor's Revenue and tax levy cap projections
9. CFO/Auditor's review and recommendations
10. Manager's Budget to Council rev. statutory 2/26 or next regularly scheduled meeting (3/10)
11. Council introduction of budget by revised statutory date of 3/30 or next meeting (4/5)
12. Hearing and adoption of budget by revised statutory date of 4/30 or next meeting (5/17)

# Assumptions

2022 Budget is dependent upon:

- Council determination of 2022 Municipal Budget Appropriations
- Fund Balance (Surplus) available for 2022
- 2021 Municipal Revenues' Analysis and 2022 Revenue Anticipations
- State Aid allocations for 2022
- Special Emergency Financing for Terminal Leave

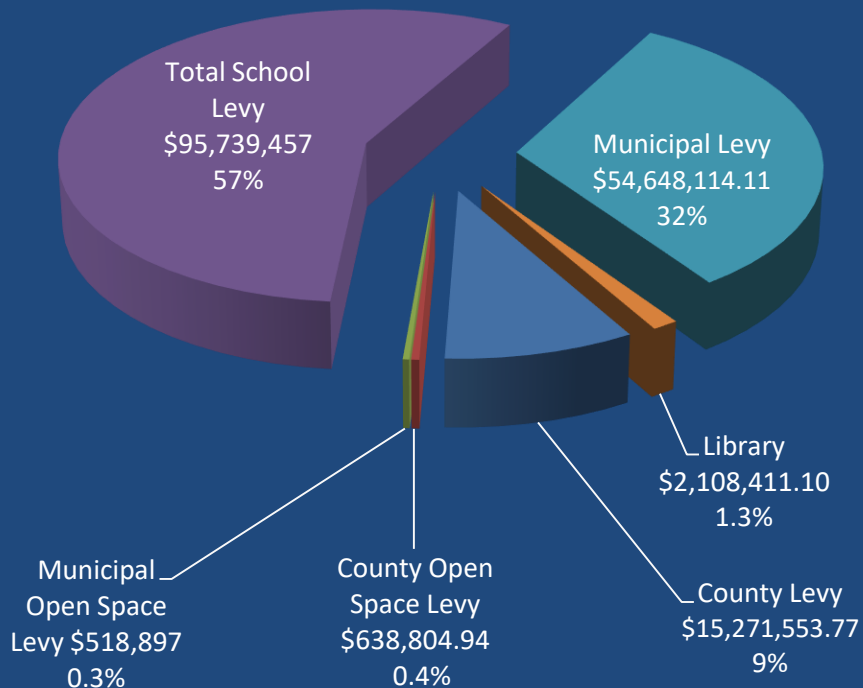
# Appropriation vs. Revenues vs. Rate

- Appropriations – what the municipality intends to spend on operations
- Revenues – what the municipality earns through various fees and the collection of taxes
- Rate – the amount of taxes to be raised / the net property valuation (total value of all properties in the Township)
- Simply stated, the tax rate is a percentage of your property value that you are taxed on

# 2021 Tax Breakdown

## Tax Breakdown

**Total Property Taxes:  
\$168,925,237.92**



- Proposed budget refers to municipal portion of taxes only
- All taxes are paid to and collected by the municipality's Tax Collection Office
- Taxes are forwarded to all taxing entities biweekly/quarterly
- Tax Breakdown comparison: Municipal – 38% (1943) vs. 32% (2021)

# Known Impacts on 2022 Budget

- Increase in PFRS and PERS payments (6.82%)
- Increase in Public Entity Joint Insurance Fund (5.73%)
- Increase in Contractual Obligations to Employees
- Increase in Debt Service (31.76%)
- Labor Negotiations – no open contracts
- Increase in Gasoline costs due to current world affairs by \$50,000 or 39.37%

# Known Impacts on 2022 Budget

- Budgeting \$750,000 for Terminal Leave
- Outsourced Crossing Guards
- Outsourcing of Building Maintenance, Parks/Fields Maintenance
- Budgeting \$250,000 for FD Holiday Time (reduction of Terminal Leave pay)
- 2021 Special Emergency Financing
- BCUA - 6.5% Increase
- Inflation – 7.9% as of February 2022



# Proposed 2022 Municipal Budget

Proposed tax rate increase is 1.7%

Estimated annual tax increase:

Average home assessed at \$387,405

Increase in Taxes

Per year: \$69.20

Per month: \$5.76

Tax Levy = Budget Appropriations Minus Revenues

Possible Appropriations Cap Issue If Cap Bank  
Ordinance Is Not Adopted

No Tax Levy Cap Issue Expected

## How We Arrived at 1.7% Tax Rate Increase

- Will cancel \$500,000 in Tax Appeal Reserve built up by Manager and CFO since 2019
- Will cancel \$470,000 in old Capital Ordinances and reduced \$2,915,000 in 2022 Capital Program
- Utilization of American Rescue Plan Funds to replace lost revenues

## How We Arrived at 1.7% Tax Rate Increase

- Reduced \$563,000 in 2022 Operational Expenses
- Utilization of \$250,000 in Clean Communities Grant Funds to offset Public Works Salaries
- Proposed budget includes maintaining of tree removal funds and does not disrupt services

# American Rescue Plan Act of 2021

- \$1.9 Trillion American Rescue Plan Act of 2021 provided Teaneck with \$4.216 million
- Half of Teaneck's \$4.216 million was received in Summer 2021 and other half to be disbursed in mid-2022
- Funds to be encumbered by 12/31/2024 and expended by 12/31/2026
- Utilization of funds for revenue shortfalls due to COVID-19 Pandemic and payment of COVID-19 Special Emergency
- Final Guidance from NJ Local Finance Board received on March 3, 2022

# Future Impact of 1.7 % Tax Rate Increase

- Allows Township to minimize effect of ARP Funds in 2022 budget and stabilize tax rate in future years
- Allows Township to maintain, if not increase, all current services without disruption

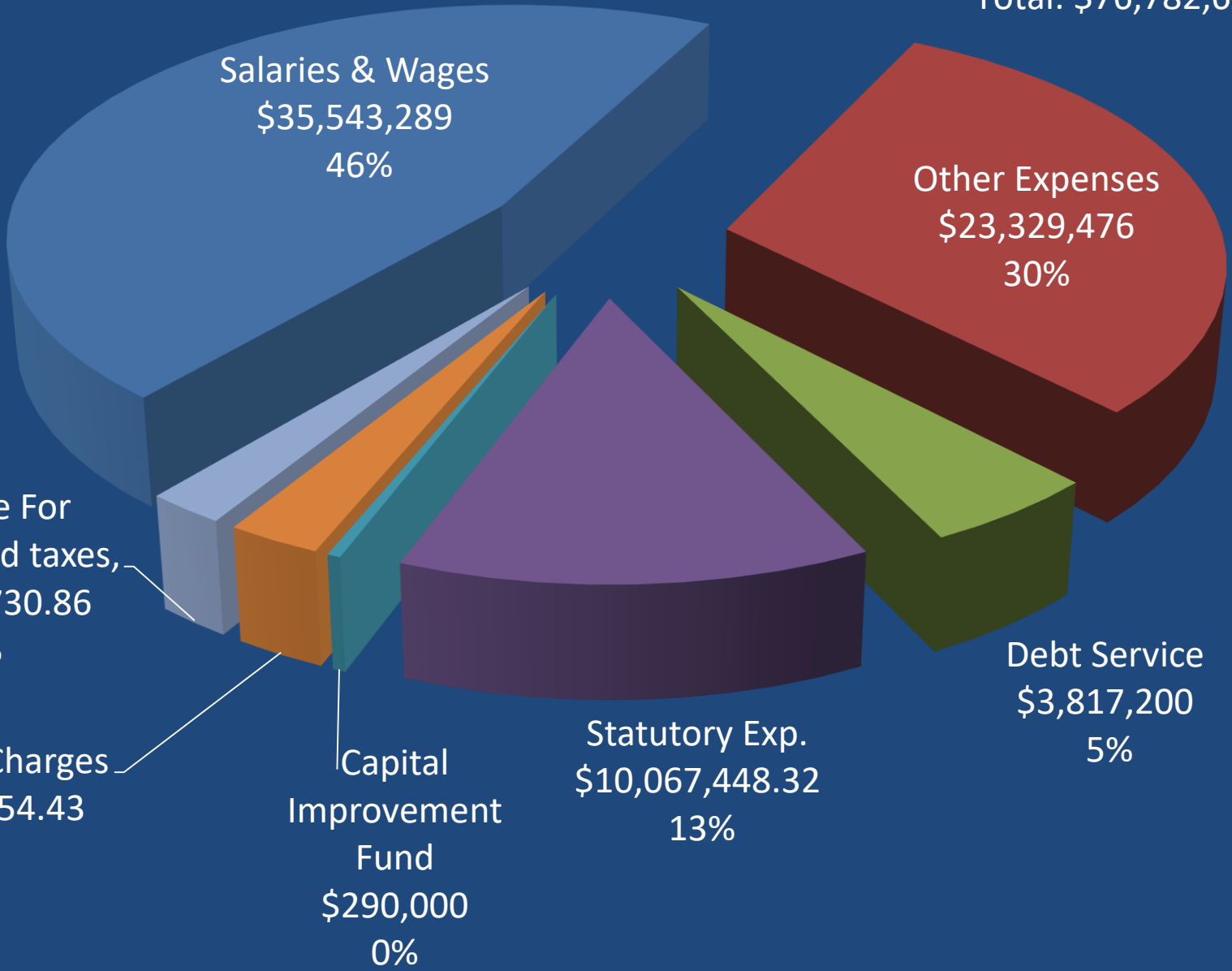
# Senate Bill S330

- Proposed S330 would reinstate cuts to State Aid made in 2008 over a 5-year period
- Starting in 2023, municipalities would receive an aid increase equal to 20% of the difference between the distribution of State Aid they received in FY 2008 and FY 2012
- Fully restored State Aid would be distributed beginning FY 2027 and in each year thereafter
- Returned revenue must be utilized to offset tax increases (additional aid must be subtracted from municipal tax levy)

# 2022 Proposed Budget

## Budget Appropriation Categories

Total: \$76,782,698.61



Salaries & Wages  
\$35,543,289  
46%

Other Expenses  
\$23,329,476  
30%

Debt Service  
\$3,817,200  
5%

Statutory Exp.  
\$10,067,448.32  
13%

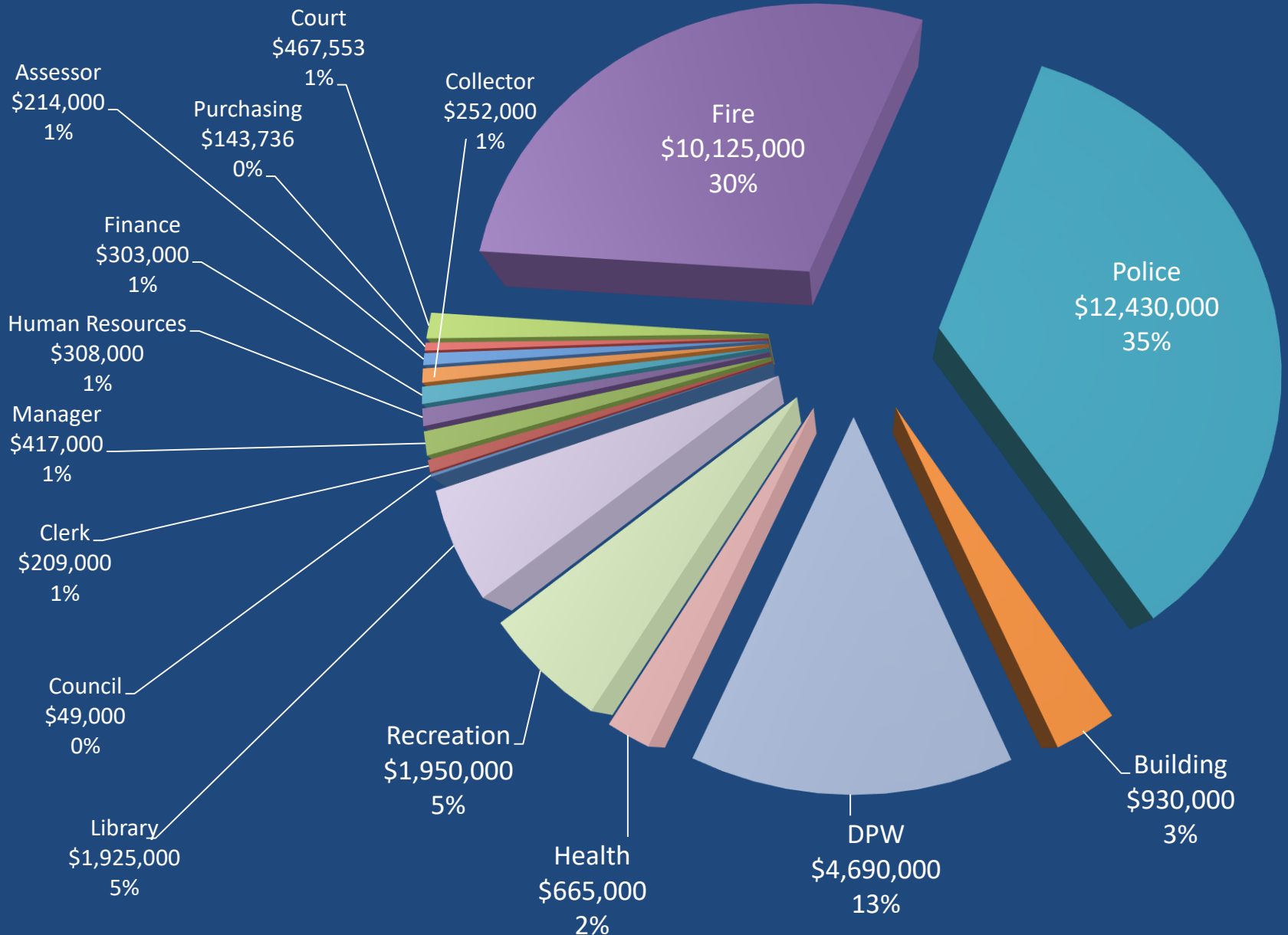
Reserve For  
uncollected taxes,  
\$1,705,730.86  
2%

Deferred Charges  
\$2,035,054.43  
2%

Capital  
Improvement  
Fund  
\$290,000  
0%

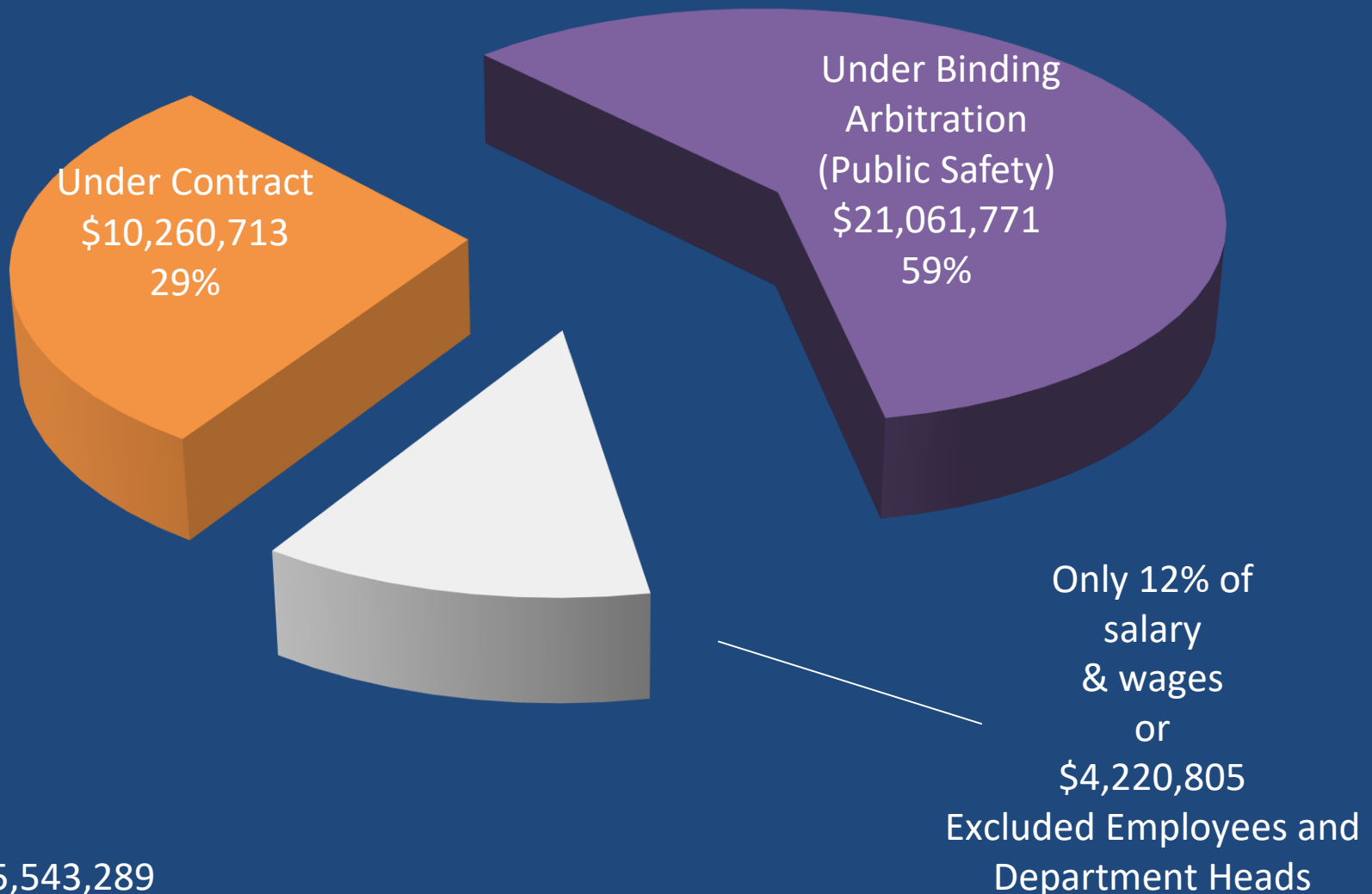
# Proposed Salaries & Wages

Total: \$35,543,289





# Salary & Wage Increases Required by Union Contract



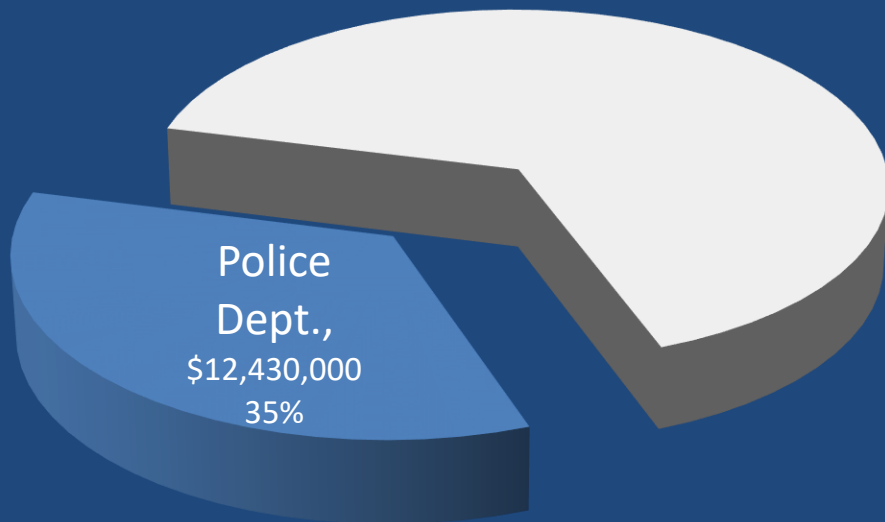
Total: \$35,543,289

# Collective Bargaining Agreements

- Police SOA Exp. December 31, 2026
- PBA 215 Exp. December 31, 2026
- AFSCME Exp. December 31, 2026
- Library Exp. December 31, 2025
- FMBA Local 42 Exp. December 31, 2023
- DPW Supervisors Exp. December 31, 2024
- DPW Non-Supervisors Exp. December 31, 2026
- PFOA Local 242 Exp. December 31, 2026

# Salaries and Wages Summary and Recommendations

## Police



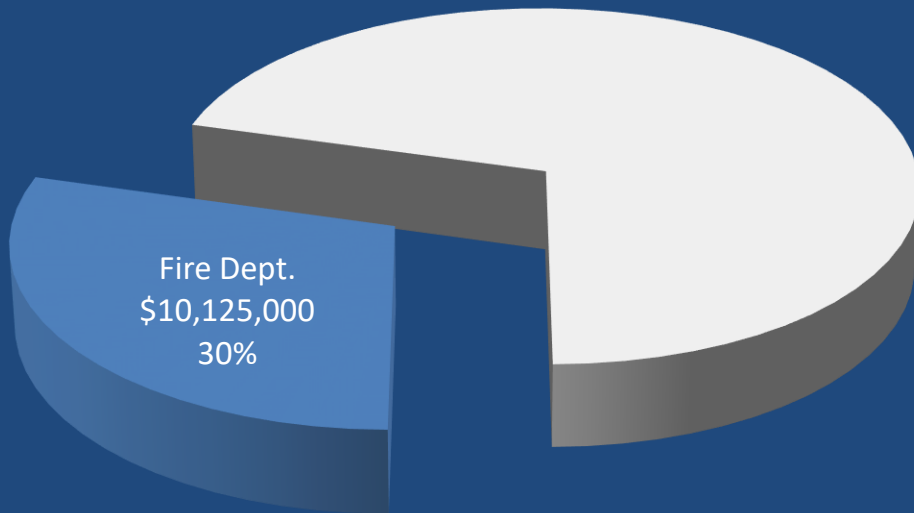
## 2022 Recommendations

- Current table of organization provides 97 sworn officers with 89 current officers
- 3 positions to be filled on or after April 1<sup>st</sup> through Alternate Route Program
- Two of Three officers in the January 2022 Academy resigned
- NJ Civil Service Commission Exam in late 2022

# Salaries and Wages Summary and Recommendations

## Fire

## 2022 Recommendations

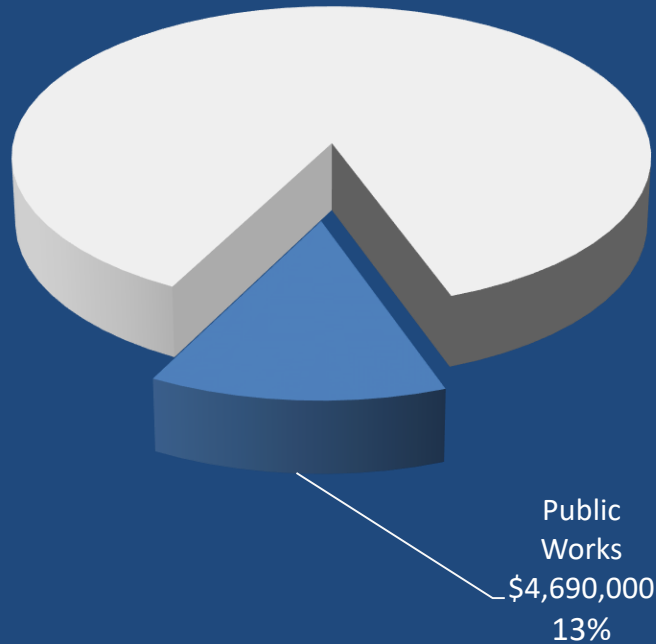


- Current table of organization provides 91 fire fighters
- Current strength of 83 fire fighters with 5 positions to be filled on or after April 1st

# Salaries and Wages

## Summary and Recommendations

### Department of Public Works (DPW)



### 2022 Recommendations

- Fill (2) vacant laborer positions contingent upon two (2) retirements
- Lower Table of Organization to 57 authorized strength due to anticipated outsourcing of Building Maintenance and Park/Field Maintenance
- Utilize \$250,000 from Clean Communities to offset Salaries

# Salaries and Wages Summary and Recommendations

## Terminal Leave Trust

- Budgeted \$750,000 for payouts to retirees
- As of February 28<sup>th</sup>, approximately \$445,000 to four (4) individuals with several more retirements occurring later in 2022

# What are Special Emergency Appropriations?

Per N.J.S.A. 40A:4-53:

- Preparation of Tax Maps
- Revaluation
- Codification of Ordinances
- Preparation of Master Plan
- Drainage Maps/Flood Control
- Engineering/Planning of Sanitary Sewer System
- Municipal Consolidation
- Severance Liabilities (Terminal Leave)
- Preparation of Sanitary/Storm System Map
- Tax Appeal Refunds

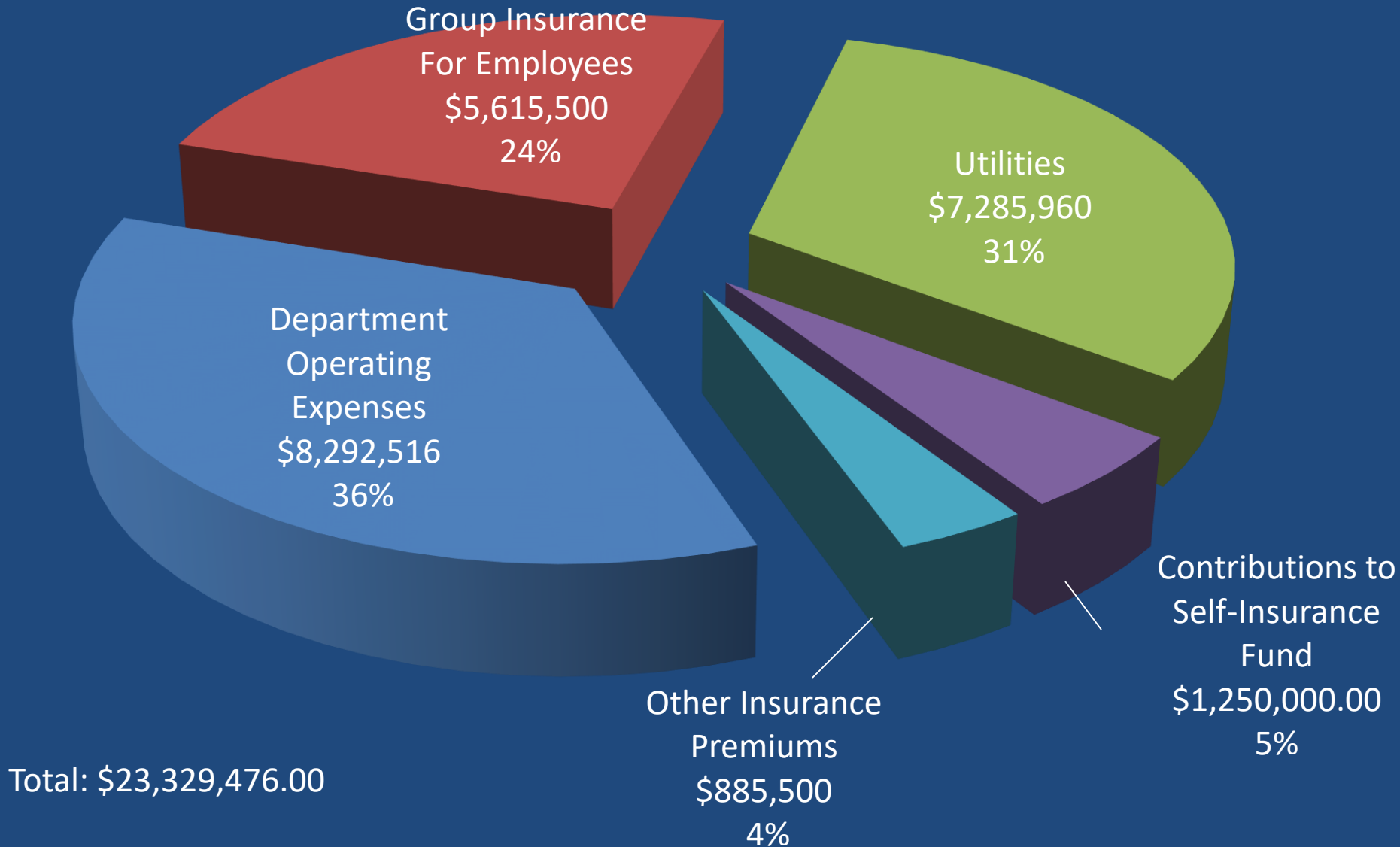
# Salaries and Wages Summary and Recommendations

## Overtime

Dept.	2022	2021	Change %	Spent
Fire	\$500,000	\$500,000	0%	\$629,491.92
DPW	\$326,400	\$326,400	0%	\$453,249.60
Police	\$600,000	\$600,000	0%	\$873,728.54

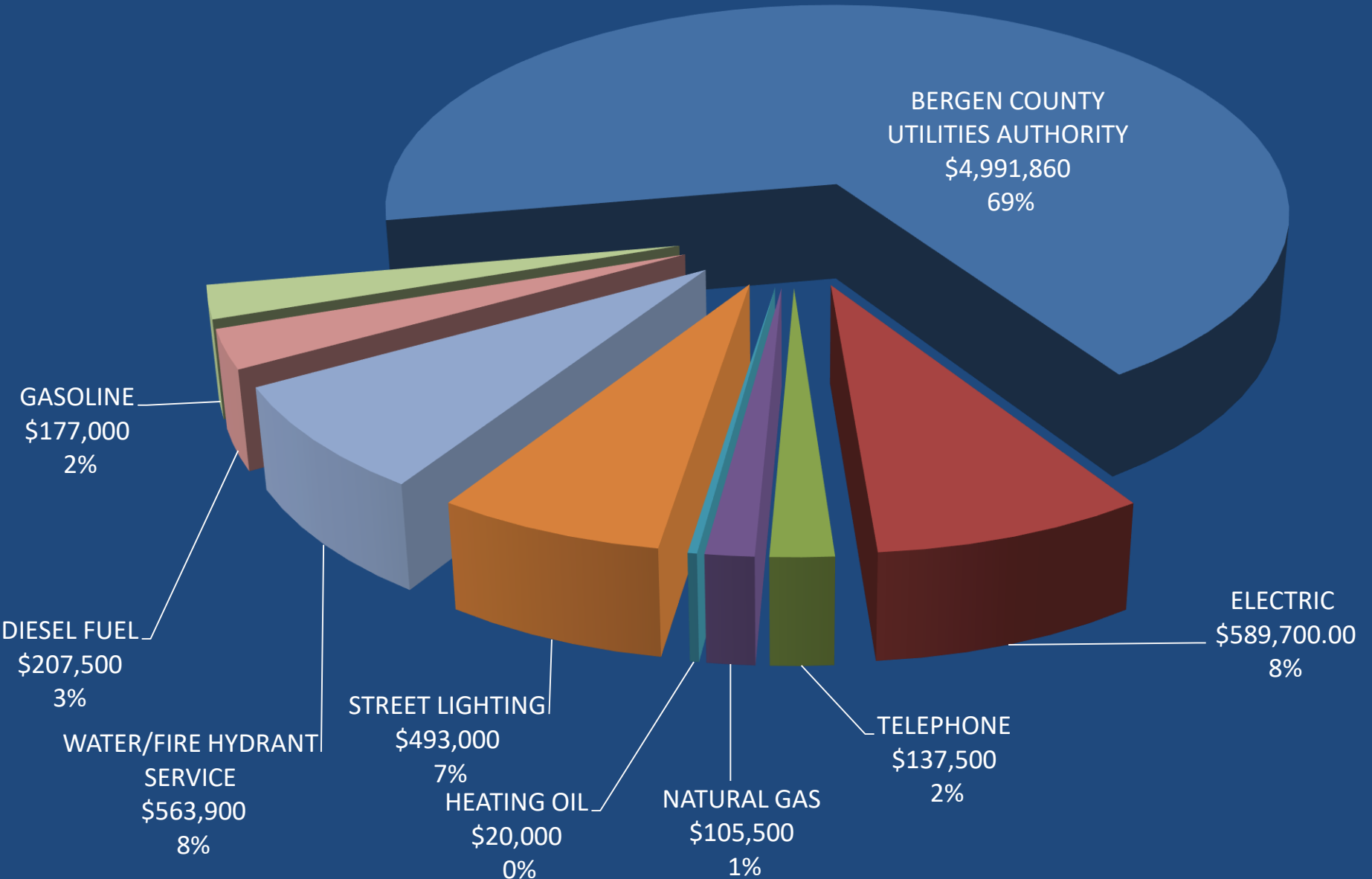


# Appropriations Other Expenses

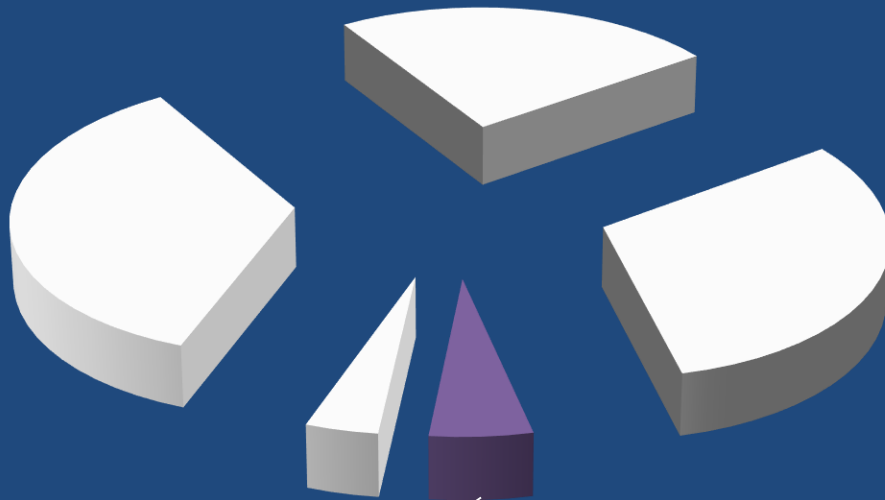


# Utilities

Total: \$7,285,960.00



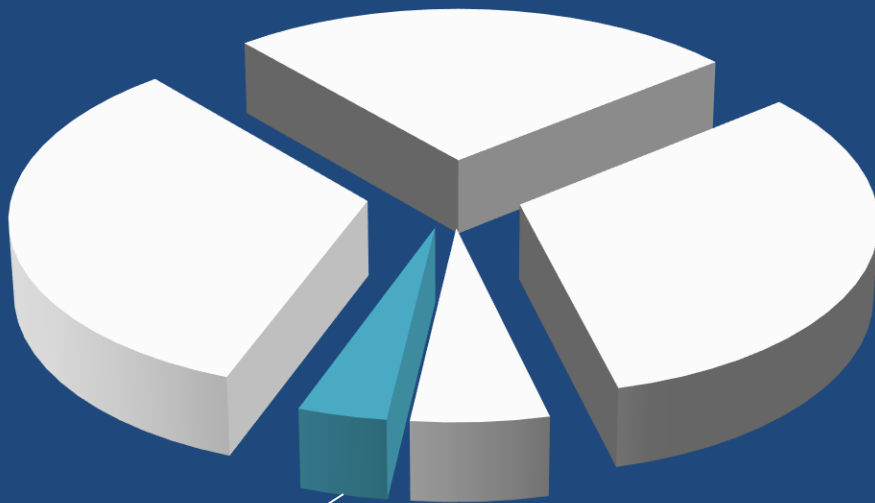
# Contributions to Self-Insurance Fund



Contributions  
to Self-  
Insurance  
Fund  
\$1,250,000  
5%

- Maintain 2021 Appropriation
- Title 59 Tort Claims
- Workman's Compensation Claims
- Proposed Settlements to be funded

# Other Insurance Premiums

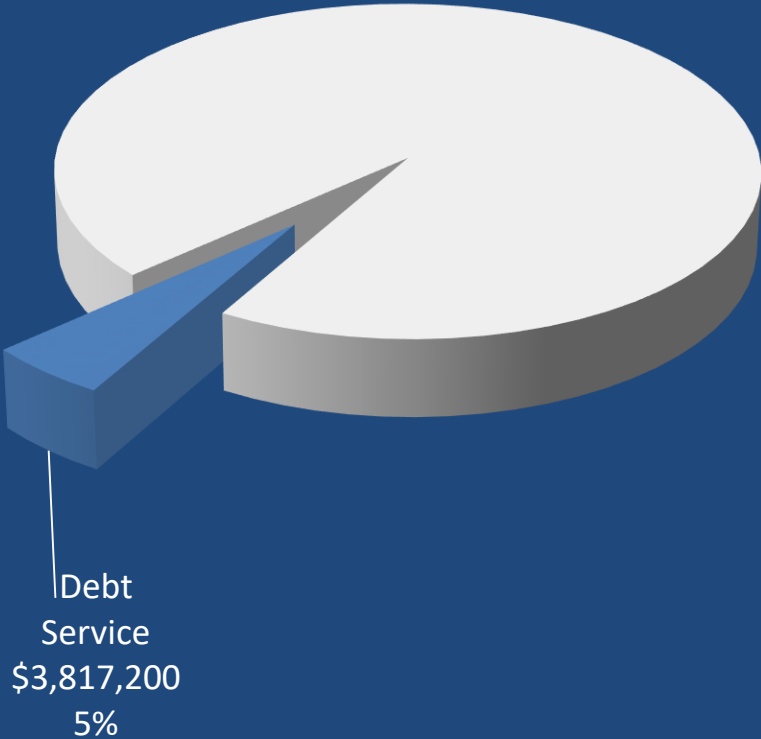


Other  
Insurance  
Premiums  
\$885,500  
4%

- PEJIF Premium Increase (\$45,000)
- Auto Liability and collision
- Employment Practices
- Public Officials
- Facilities

# Debt Service

## Debt Service



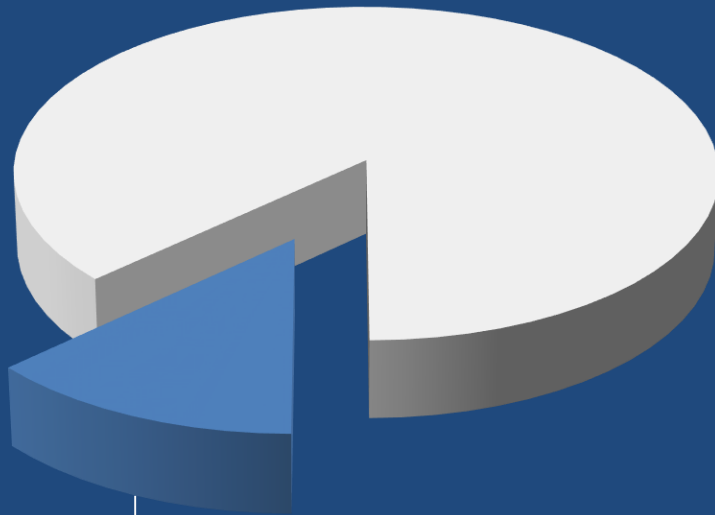
## Highlights

- 2021 Bond Sale financed \$8,250,000 at 1.197 % fixed for life of loan (10 years)
- Cedar Lane SID Loan paid off in 2021

# Statutory Expenditures

## Major Adjustments

### Statutory Expenditures



Statutory Exp.  
\$10,067,448.32  
14%

- PFRS increased \$272,219.48(17.78%)
- PERS increased \$370,728.84 (8%)
- Total line item increased \$642,948.32 or 6.82%
- Increases due to new increased life expectancy projections and drop in long term investments by pension funds

# Capital Improvement Fund

**Total Cost of Improvements**

\$5,733,000.00

**Capital Improvement Fund**

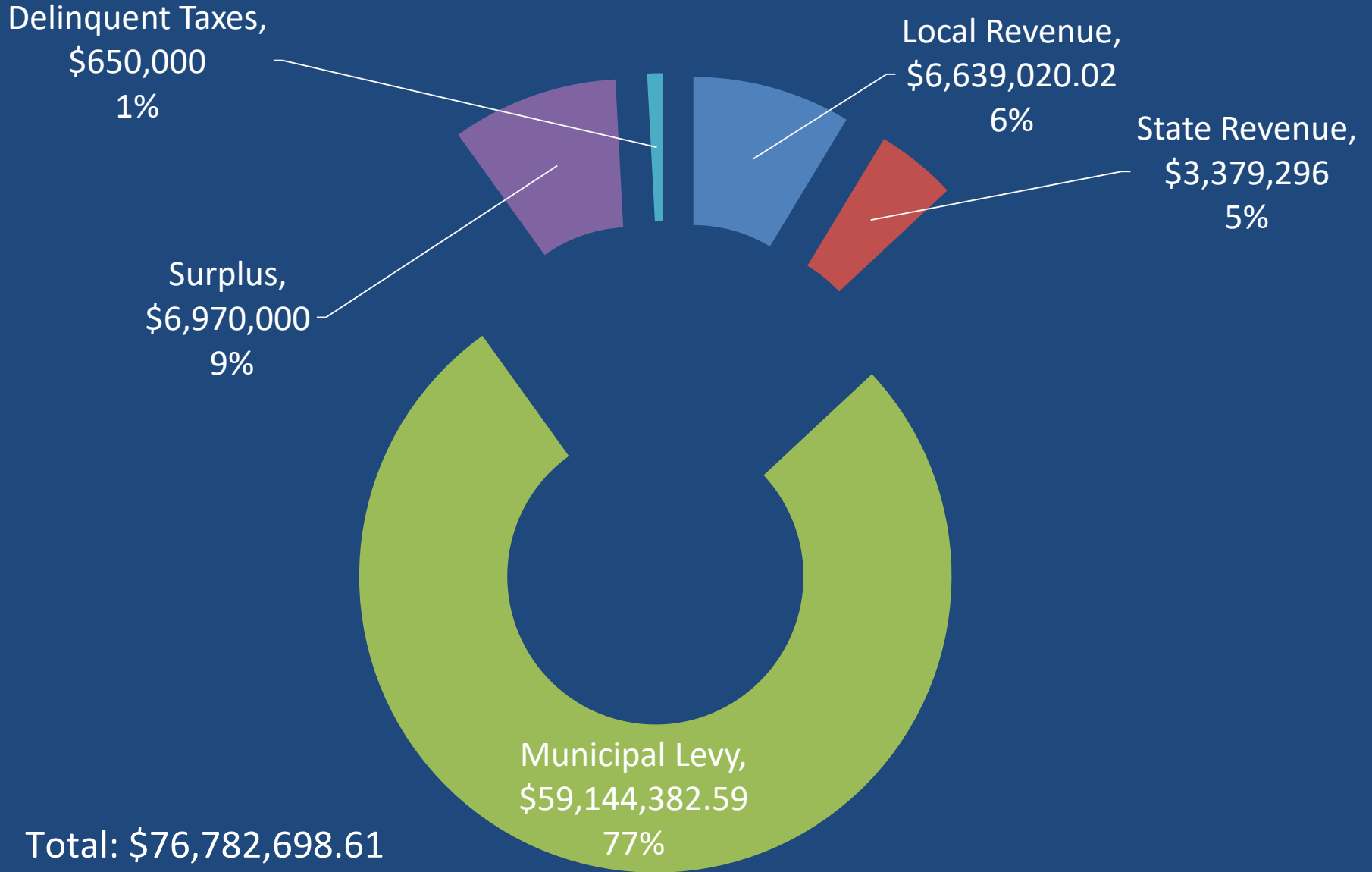
\$290,000.00

(5% Down payment)

Capital Improvement Fund Review

March 24, 2022

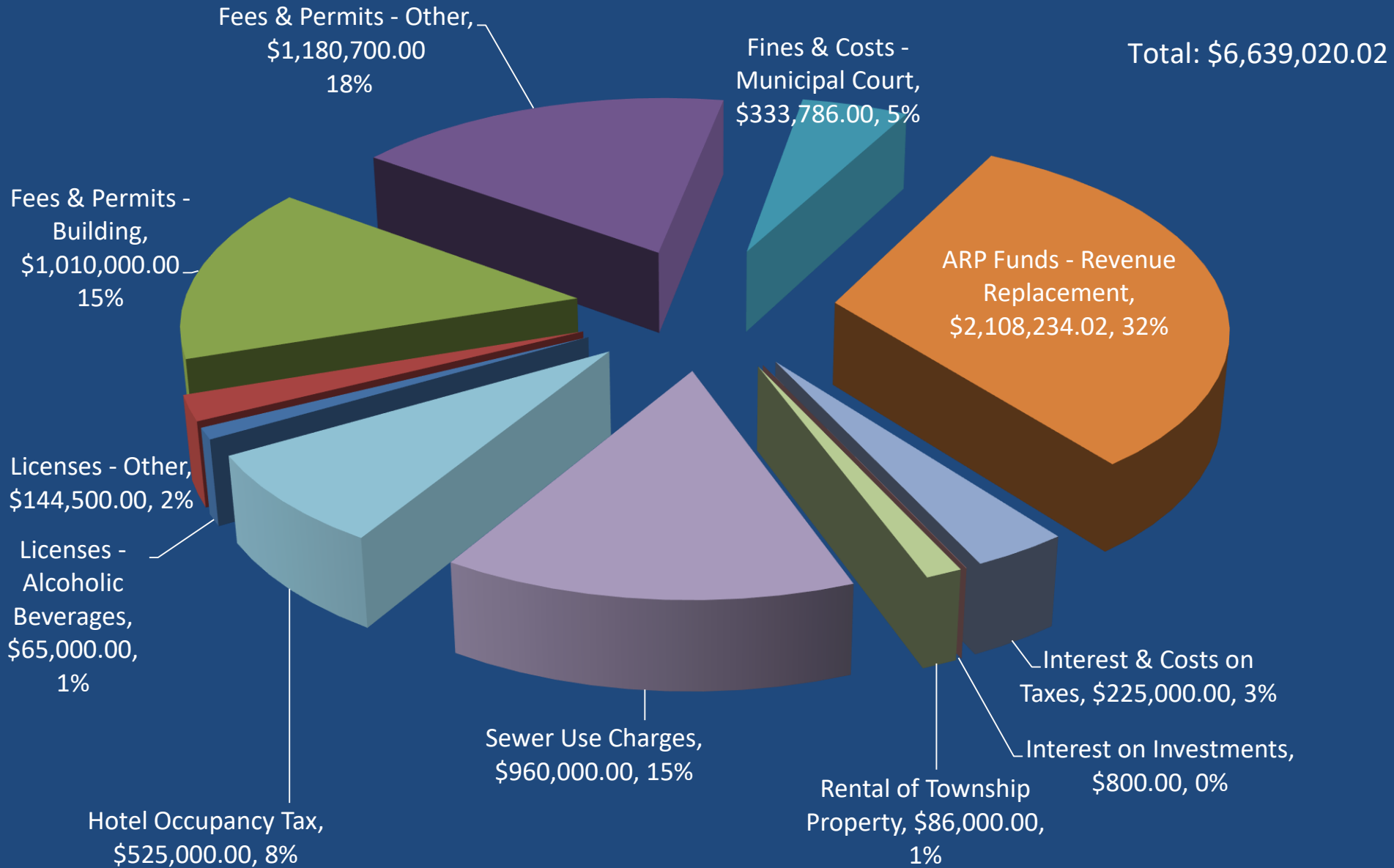
# Estimated Revenue





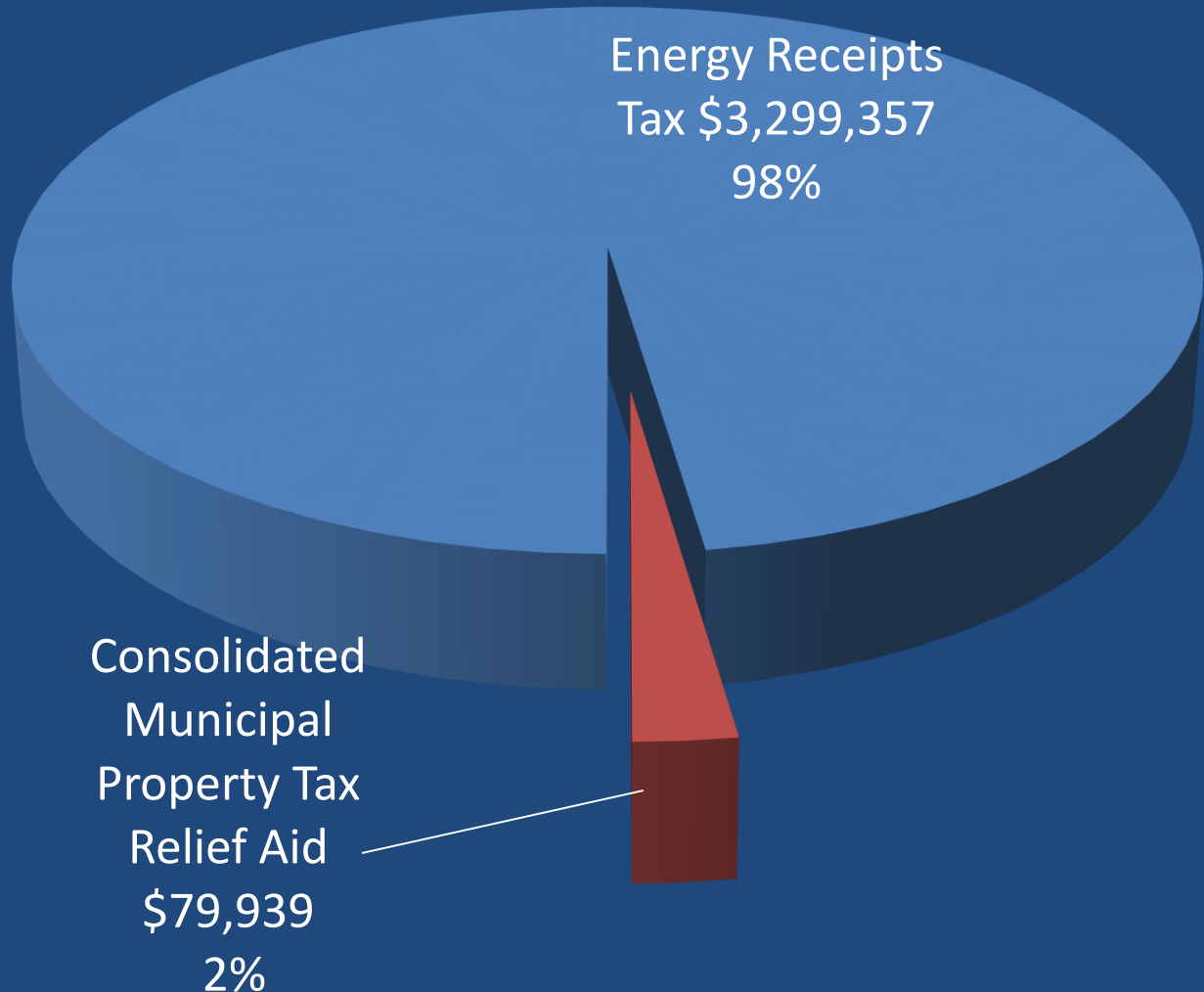
# Estimated Local Revenue

Total: \$6,639,020.02



# Estimated State Revenue

Total: \$3,379,296.00

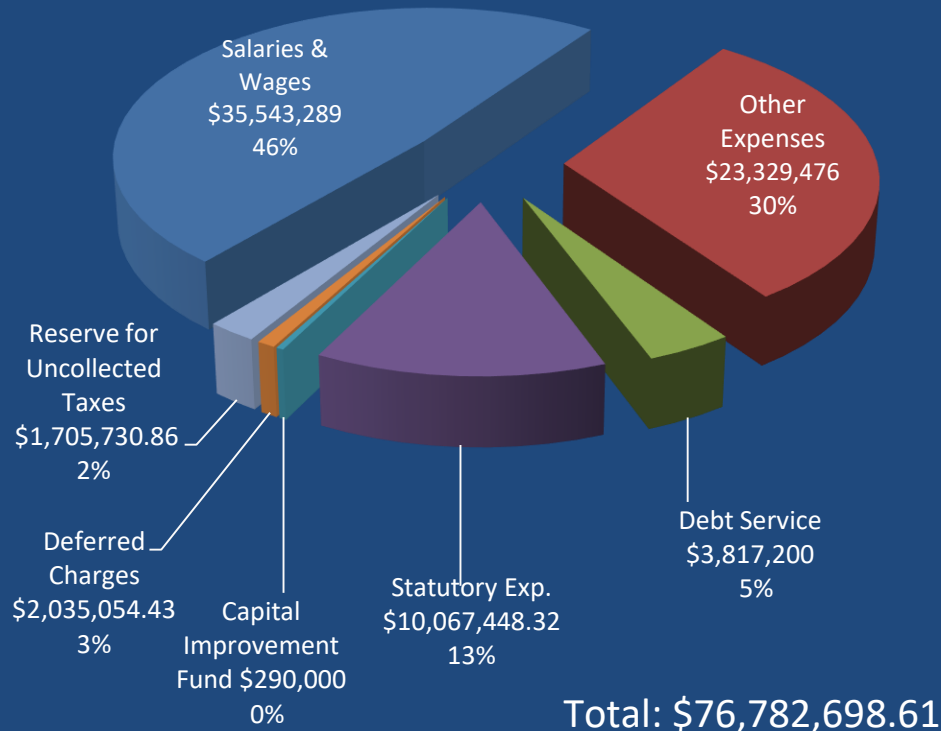


# Factors Potentially Impacting Budget

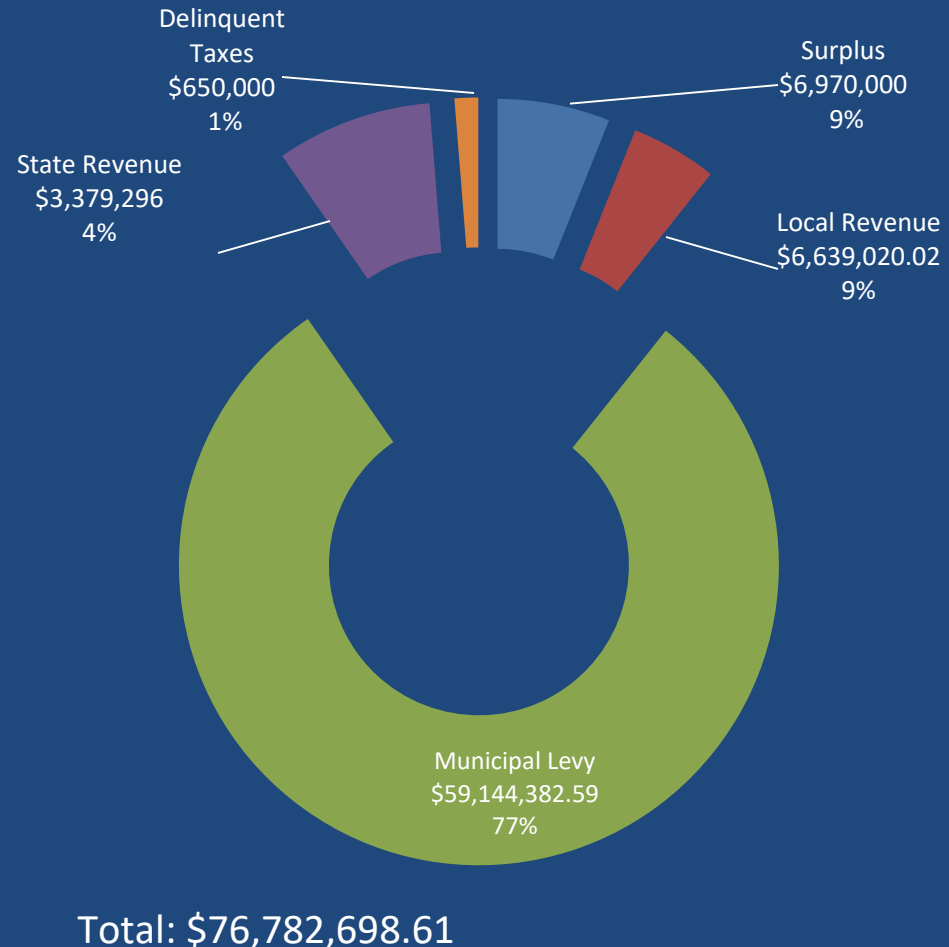
- Special Emergencies – (Terminal Leave Payouts, Tax Map, Code Recodification)
- Glenpointe Tax Appeal Settlement Payment (\$800,000)
- Holy Name Medical Center Tax Appeal
- Impact of tax appeals (State/County)
- Interest rates/Bond Rating
- Flat state aid (Flat since at least 2008)
- Pension Contribution Increases
- New Parking Meter Program
- BCUA Increase (6.5%)
- Workman's Compensation/Settlement Claims
- Slight increase in Joint Insurance Fund Costs
- Outsourcing of Building Maintenance, Parks/Fields Maintenance
- Increase in Police Off-Duty Administrative Fee

# Budget Wrap - Up

## Appropriations



## Revenue



# Strategies

## Short & Long Term

- Credit Card Acceptance for Court and other departments began in 2021, continues in 2022
- Complete migration of funds to newly contracted banking institutions
- Merge Fire Dispatch with City of Hackensack (in progress)
- Sale/development of selected municipally owned property
- Enhance ratables through business attraction and development
- Improved Infrastructure to attract economic development
- Redevelopment of Alfred Avenue
- Pedestrian Safety Measures, Traffic Calming, additional Crosswalks
- Continued work on new DPW Facility

# Strategies

## Short & Long Term

- Park Renovations (Votee Park Pool)
- Road Resurfacing
- Infrastructure Improvements
- Parking lot Improvements
- Electric Charging Stations
- PSEG Energy Efficiency Improvements to Municipal Buildings
- Community Choice Aggregation (ongoing)
- Implementation of Spatial Data Logic Department Software
- Teaneck Southern Little League Renovations
- Municipal Building Renovations (Council Chambers/Basement/Roof, Windows)
- Fire Station 4 Improvements

# Upcoming Budget Meeting

## Tentative Agenda

Thursday, March 17, 2022

- Review - Police Department Budget
- Review – Fire Department Budget
- Review – Public Works Budget
- Review – Legal Budget
- Review - Various Budget Accounts

# Upcoming Budget Meeting Tentative Agenda

Thursday, March 24, 2022

- Review - Recreation Department Budget
- Review – Library Budget
- Review - Capital Budget
- Review – Manager/Council/Clerk
- Review - Various Budget Accounts



# With Appreciation

Thank you for all your cooperation in the 2022  
Budget Process

- Council
- Auditor
- CFO
- Department Heads and Assistant Department Heads

Thank you!

